

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ELAM UTILITY)	
COMPANY, INC. FOR AN)	
ADJUSTMENT OF RATES PURSUANT)	CASE NO. 2000-432
TO THE ALTERNATIVE RATE FILING)	
PROCEDURE FOR SMALL UTILITIES)	

FIRST DATA REQUEST OF COMMISSION STAFF
TO ELAM UTILITY COMPANY, INC.

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Elam Utility Company, Inc. ("Elam") file, within 14 days of the date of this request, an original and seven copies of the following information with the Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 3(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to the Changes of Revenue and Expenses schedule of the application, and the explanation of adjustments that is titled, "Elam Utility Company Rate Increase Request."

a. Provide all information known to Elam regarding all potential customers that may connect to Elam's system or existing customers who significantly increase their consumption during or following the test year. Include the date potential customers will be connected, and the estimated amount of additional gas that will be used.

b. Refer to Adjustment (2), Payroll. In Elam's explanation of the adjustment, Elam has broken Payroll down into (a) Officer Salary and (b) Other Salaries. State when the increases will take effect, a list of the employees and their duties, and their wage rates before and after the proposed wage increase.

c. Refer to Adjustment (3), Consulting Fees. In Case No. 92-488,¹ Wilma Ison stated: "The Phillips will be paid by a personal check from Doug and myself for the purchase of the stock. The Phillips are financing the stock purchase for us. Because of other sources of income, we will live on the salary that is being paid to Wilma and the payment for the company will be paid for by the salary paid to Doug."² In light of the Isons' representation to the Commission that company funds would not be used to pay off the debt to the Phillipses, explain why this proposed adjustment is reasonable and should be considered in establishing Elam's rates.

¹ Case No. 92-488, The Application for Approval of the Transfer and Sale of Elam Utility Company.

² Case Number 92-488, Response of Isons to the Commission's Order of December 18, 1992, Item 1.

2. Relating to Section III, a, 4, a, of the application, Elam submitted a schedule of outstanding debt. Resubmit this schedule, and include on it the following items: the information as submitted in the application, the interest rate for each loan or debt, the interest charged during the test year for each loan or debt, and identification of the debts extinguished by the recently approved DLG loan. The interest charged during the test period should equal \$32,263.03, as shown in Elam's 1999 annual report to the Commission.

3. a. Has Elam abandoned any gas mains as a result of its purchase of the 17,000 feet of two-inch gas line from the Mountain Parkway Economic Authority? b.

b. If yes:

(1) What is the length and diameter of each pipeline abandoned?

(2) Of what material was it made?

(3) What is the remaining life of the abandoned pipeline?

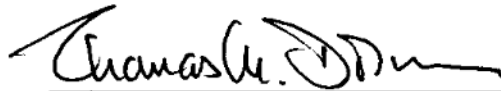
(4) What is the salvage value of the abandoned pipeline?

4. Why is the estimated service life of a regulator or a meter installed before 1990 greater than that of similar plant installed in 1990 or later?

5. Refer to the column in Elam's Billing Analysis labeled "All over 11 Mcf." Provide a detailed explanation of the calculation to obtain the amounts in this column.

6. Refer to the Billing Analysis, the Statement of Income, and the Annual Report. The total revenue of \$430,381.92 in the Billing Analysis does not match the \$438,156.80 in total operating income from sales of gas reported on the Statement of Income and the Annual Report. Reconcile the difference between these two amounts.

7. Refer to the schedule titled "Proposed Rate Increase." Reconcile the difference between the revenue amounts based on the current tariff and the revenue amounts presented in the Billing Analysis.

A handwritten signature in black ink, appearing to read "Thomas M. Dorman", written over a horizontal line.

Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

DATED October 6, 2000

cc: All Parties